

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Zions Bancorporation

Point of Contact:	Doyle Arnold	RSSD: (For Bank Holding Companies)	1027004
UST Sequence Number:	37	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	1,400,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	November 14, 2008	City:	Salt Lake City
Date Repaid ¹ :	N/A	State:	Utah

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Zions does use the CPP funds as well as deposits and other funding sources to support loan originations, which exceed \$5 billion per year at Zions.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Zions continued to be one of the most active lenders to small business throughout the crisis; In 2010, Zions was in the top ten of SBA lenders nationally. We also have recently increased residential mortgage and consumer lending.

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☒ **Increase securities purchased (ABS, MBS, etc.).**

Only an immaterial amount; Zions has among the smallest ABS/MBS portfolios among regional banks.

☐ **Make other investments.**

☐ **Increase reserves for non-performing assets.**

☒ **Reduce borrowings.**

Yes. The CPP funds did help Zions reduce its borrowings.

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The capital infusion from CPP funds in late 2008 allowed us to immediately downstream additional capital to our subsidiary banks. This strengthened their capital ratios in a time of extreme stress when it would have been very difficult to raise capital and funding through any other means due to extreme risk aversion and illiquidity in the capital markets.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The infusion of CPP funds allowed Zions parent company to be immediately a greater source of strength to its subsidiary banks than otherwise would have been the case. This allowed them to continue lending and maintain overall balance sheet size to greater levels than otherwise would have been the case, during an extremely stressful period in the capital and funding markets. Further, this allowed Zions (and other banks) to raise much greater amounts of additional capital and other funding later in 2009 and 2010 when risk aversion began to abate and liquidity began to return to the financial markets.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.